

INFORMATIONAL HEARING  
BEFORE THE  
CALIFORNIA ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

In the Matter of:	)	
	)	
Application for Certification	)	Docket No.
for the Mirant Marsh Landing	)	08-AFC-3
Generating Station Project	)	
_____	)	

DELTA DIABLO SANITATION DISTRICT  
2500 PITTSBURG-ANTIOCH HIGHWAY  
ANTIOCH, CALIFORNIA

THURSDAY, DECEMBER 18, 2008

5:00 p.m.

Reported by:  
Ramona Cota  
Contract No. 170-07-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

James D. Boyd, Presiding Member

Karen Douglas, Associate Member

HEARING OFFICER, ADVISORS PRESENT

Paul Kramer, Hearing Officer

Kelly Birkinshaw, Advisor to Commissioner Boyd

Diane Schwyzer, Advisor to Commissioner Douglas

STAFF PRESENT

Richard Ratliff, Staff Counsel

J. Mike Monasmith, Project Manager

PUBLIC ADVISER'S OFFICE

Elena Miller, Public Adviser

APPLICANT

Lisa A. Cottle, Attorney  
Winston & Strawn

Jonathan A. Sacks, CFA  
Mirant Corporation

Chuck R. Hicklin  
Mirant Corporation

Anne Connell, PE  
URS Corporation

INTERVENOR

Gloria D. Smith, Attorney  
Adams Joseph Broadwell & Cardozo  
representing California Unions for Reliable Energy

ALSO PRESENT

Gary Darling, Delta Diablo Sanitation District

Victor Carniglia, City of Antioch

Brian K. Lusher, Bay Area Air Quality Management  
District

Dennis Evans, International Brotherhood of  
Boilermakers, Local 549

June Forsyth

Keith Gilliam, Quality Engineering, Inc.

Thomas E. Lindemuth

Ian Mariner

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## P R O C E E D I N G S

5:04 p.m.

PRESIDING MEMBER BOYD: Good evening ladies and gentlemen. Thank you all for being here and welcome to the Informational Hearing and the Site Visit for the Marsh Landing Generating Station Proposal. The Siting Committee of the California Energy Commission for this project welcomes you.

Thank you to the applicant and all of you and the folks who own this room for facilitating our fairly unusual logistical effort tonight of having two different application hearings/site visits conducted back to back. This is the Marsh Landing hearing.

I am Jim Boyd, Commissioner of the California Energy Commission and the Presiding Member of this particular siting committee. To my immediate left past our Hearing Officer is Commissioner Karen Douglas, the Associate Member of the siting committee for this Marsh Landing case. Those of you who stick around for the next hearing will see us trade microphones. She will get to Chair and I'll get to be the Associate Member.

1           To my immediate right is my advisor,  
2       Kelly Birkinshaw. To Commissioner Douglas' left  
3       is her advisor, Diane Schwyzer. And to my  
4       immediate left is our Hearing Officer, Paul  
5       Kramer.

6           As you will learn from tonight's  
7       proceedings, the way we conduct these meetings is  
8       to have hearing officers of our agency actually  
9       chair the hearings. We constitute the Siting  
10      Committee. The three of us will constitute the  
11      body that prepares the recommendations that  
12      Commissioner Douglas and I ultimately publish and  
13      the recommendations that we will give to the full  
14      Energy Commission.

15          So with that brief introduction -- You  
16      will hear a lot more about process tonight from  
17      other folks at the Commission. So with that brief  
18      welcome and thank you and introduction I will now  
19      turn the microphone over to our Hearing Officer,  
20      Mr. Kramer.

21          HEARING OFFICER KRAMER: Thank you,  
22      Commissioner Boyd. Again, welcome.

23          Let's introduce the rest of the parties  
24      in this case, beginning with the applicant.

25          MS. COTTLE: Good evening. My name is

1 Lisa Cottle. I am with the law firm of Winston  
2 and Strawn and I will be acting as project  
3 counsel. To my left is Jonathan Sacks who is the  
4 project director for business transactions and  
5 project development at Mirant. And he is acting  
6 as project director for the Marsh Landing  
7 Generation Station.

8 To my right is Chuck Hicklin who will be  
9 the project manager. He is also with Mirant. And  
10 to his right is Anne Connell who is with URS  
11 Corporation and Anne is the URS project manager.  
12 And URS is acting as the environmental and  
13 technical consultant for the project.

14 HEARING OFFICER KRAMER: Okay, and then  
15 Energy Commission staff.

16 MR. MONASMITH: Hi, I'm Mike Monasmith;  
17 I am project manager of this proceeding. To my  
18 right is Dick Ratliff, staff counsel with the  
19 Energy Commission for this proceeding. When I do  
20 my presentation later I will introduce some more  
21 of the Energy Commission staff who are working on  
22 our team.

23 HEARING OFFICER KRAMER: Okay. And do  
24 we have a representative from the Delta Diablo  
25 Sanitation District.

1 MR. DARLING: Yes.

2 HEARING OFFICER KRAMER: Before you --  
3 Could you go up to this microphone. We are  
4 recording, the court reporter is recording this  
5 and a transcript will be produced. Or maybe we  
6 can pass the microphone around. But in any event  
7 my point is we need to get this recorded so that  
8 it can appear in the transcript.

9 And also if you can spell your name for  
10 the court reporter then you have a better chance  
11 that it will be spelled correctly. I would say an  
12 almost 100 percent chance that it will be spelled  
13 correctly in the transcript. So please help her  
14 out. She already I think has the names from those  
15 of us up here but anyone else give her that, that  
16 assistance. Sir.

17 MR. DARLING: Thank you. My name is  
18 Gary Darling, I am the general manager of Delta  
19 Diablo Sanitation District. G-A-R-Y, D-A-R-L-I-N-  
20 G. And I will make a presentation this evening to  
21 you.

22 HEARING OFFICER KRAMER: Yes, thank you.  
23 Any other representatives of local agencies or  
24 state officials? Sir.

25 MR. CARNIGLIA: My name is Victor



1 Carniglia, C-A-R-N-I-G-L-I-A, and I am  
2 representing the City of Antioch, I'm staff with  
3 the City of Antioch. I have also a brief  
4 presentation I would like to make this evening.  
5 Thank you.

6 MR. LUSHER: Hi, my name is Brian  
7 Lusher, I will be the permit engineer for the Bay  
8 Area Air Quality Management District for the case.

9 THE REPORTER: Spell your name, please.

10 MR. LUSHER: It's Brian, B-R-I-A-N, and  
11 the last name is L-U-S-H-E-R.

12 HEARING OFFICER KRAMER: Anyone else?  
13 And we also have a representative here from our --  
14 actually we have our Public Adviser who will be  
15 making a presentation later. But could you just  
16 introduce yourself for the moment.

17 MS. MILLER: My name is Elena Miller and  
18 I will be presenting shortly. And I am the Public  
19 Adviser with the Energy Commission. Thank you.

20 HEARING OFFICER KRAMER: This might be a  
21 good -- Well, actually we'll explain your blue  
22 cards in a minute.

23 There are some documents available at  
24 the back table. I think copies of I believe the  
25 staff's and certainly the PowerPoint that is up

1 here right now that you can take with you. On the  
2 PowerPoint that I prepared there is some contact  
3 information you may find useful in the future.

4 And then, sorry, I forgot to introduce  
5 one of our intervenors. Actually our only  
6 intervenor at this point.

7 MS. SMITH: At this point.

8 HEARING OFFICER KRAMER: From CURE.

9 MS. SMITH: Gloria Smith from the law  
10 firm of Adams Broadwell for the California Unions  
11 for Reliable Energy.

12 HEARING OFFICER KRAMER: Thank you. And  
13 there are other documents at the back table as  
14 well that you may want to look at.

15 I am not going to go through the process  
16 in detail because staff will be covering that.  
17 But sort of a handy way to get you oriented if you  
18 are not familiar with our process, you probably  
19 will want to hear about parts of it several times  
20 so you can understand it, I prepared this what I  
21 call the acronym soup, which will introduce you to  
22 some of the many acronyms that we use at the  
23 Energy Commission. And these are arranged roughly  
24 in the order that they will appear in the  
25 proceeding.

1           The applicant filed what we call an  
2   Application for Certification, certification being  
3   a permit to build a power plant.

4           One of the next steps is that the local  
5   air district will issue a Preliminary  
6   Determination of Compliance to explain whether or  
7   not the project will comply with their air quality  
8   regulations and propose many conditions that would  
9   apply to the project if it is approved.

10          After that the staff will prepare a  
11   Preliminary Staff Assessment, which along with the  
12   Final Staff Assessment I will mention in a minute,  
13   serves as a substitute for an Environmental Impact  
14   Report for this project. The Energy Commission's  
15   process has been certified as the functional  
16   equivalent of the CEQA process so we do not  
17   prepare anything called an EIR as such. And if  
18   you are used to local government projects you are  
19   probably expecting to see one for something like  
20   this.

21          If you wait for an EIR though the whole  
22   thing will be over and you will still be waiting  
23   because we don't produce anything with EIR on the  
24   cover. So you want to be looking at the  
25   Preliminary Staff Assessment and then the Final

1 Staff Assessment as the substitutes for an EIR in  
2 this process.

3 Following the Preliminary Staff  
4 Assessment then the air district will issue a  
5 Final Determination of Compliance and then staff  
6 will issue a Final Staff Assessment.

7 At that point we go into hearings and  
8 the Committee issues a Presiding Member's Proposed  
9 Decision, which is a recommendation to the full  
10 Energy Commission about what to decide regarding  
11 this project.

12 And not a part of the process but also  
13 you will hear quite a bit is the acronym LORS.  
14 and it stands for Laws, Ordinances, Regulations  
15 and Standards. Basically all the local, state and  
16 federal laws that may apply to this project.

17 CEQA is the California Environmental  
18 Quality Act. The Commission performs an analysis  
19 under basically the same approach that a local  
20 agency would apply in preparing an EIR. Again, we  
21 don't prepare an EIR as such but we do comply with  
22 the California Environmental Quality Act as a part  
23 of our process.

24 And the local air district that I  
25 mentioned earlier, in this case is the Bay Area

1 Air Quality Management District.

2 The agenda for tonight's hearing is that  
3 the Public Adviser will describe how the public  
4 can participate in this project. Then the  
5 applicant will describe the proposed project.  
6 Commission staff will describe our licensing  
7 process and its role.

8 As a part of the applicant's  
9 presentation we are going to have a presentation  
10 from the Delta Diablo Sanitation District. And  
11 again thanks to them for providing this room for  
12 us to meet in. And let me suggest that the  
13 gentleman from the City could make his  
14 presentation right after the Sanitation District.

15 And then Commission staff will describe  
16 the licensing process and its role in that  
17 process. I have a numbering problem.

18 Anyway, following that we will discuss  
19 the schedule of the case. Staff has proposed a  
20 schedule and I believe they may have some  
21 modifications to what they earlier filed.

22 And then other matters that were raised  
23 by the staff in their Issue Identification Report.

24 And if there are any other local  
25 agencies or any agencies that wish to make a

1 presentation or ask questions we will take their  
2 questions at that point.

3 And finally we will take public comments  
4 and questions. And let me suggest to the members  
5 of the public that if you have questions about the  
6 project or concerns that this is the best time for  
7 you to raise them because the staff is beginning  
8 its analysis of the project. It will be easier  
9 for them to make sure that they address your  
10 concerns if they know about them today rather than  
11 near the end of the process.

12 Finally we will discuss a few  
13 housekeeping matters, which should be relatively  
14 brief, and then we will adjourn.

15 Before we start the presentations I need  
16 to explain one aspect of our proceedings. And  
17 that is what we call our ex parte rule. I believe  
18 that is Latin for one-sided. Our decision, the  
19 Commission's decision that is, must by law be  
20 based on the evidence that is submitted at the  
21 evidentiary hearing.

22 To have a fair process then, information  
23 that may be a basis for our decision needs to be  
24 available to all the participants. And that is  
25 the staff, the applicant, the intervenor and the

1 public.

2           So to do that we need to make sure that  
3 people are not having private communications with  
4 members of the Committee, and that includes the  
5 Commissioners, their advisers and myself, about a  
6 matter of substance. For instance, that you are  
7 either against or in favor of the project because,  
8 whatever your reason is. We need that to occur in  
9 a public meeting or be in writing so that it can  
10 be shared with everyone.

11           But it is appropriate to have ex parte  
12 discussions about procedural issues such as when  
13 is the next hearing going to be or what a deadline  
14 for comments might be, that sort of thing.  
15 Although most of that information is available on  
16 our website.

17           Which brings me to the next page. These  
18 are two ways to stay informed in the case. The  
19 Public Adviser will go into this in more depth.  
20 But each case that we have has its own Internet  
21 page and subpages where documents, the major  
22 documents -- not every minor document but  
23 certainly the major documents in the case are  
24 posted. And that is the address.

25           And if you want to get information about

1 the case one of the best ways to do that if you  
2 have an e-mail address that you like to use is to  
3 get on one of our, the list server for this case  
4 because you will receive notice of the major  
5 events, hearings, workshops, that sort of thing  
6 that documents are available. And you won't have  
7 to necessarily visit the website as often as you  
8 would otherwise to see that nothing has changed.

9 And then finally on the slide I have the  
10 contacts for the Public Adviser, for myself and  
11 for Mr. Monasmith of the staff if you have  
12 questions about the project.

13 So we will now turn to -- well, does  
14 anyone have any questions about the order of  
15 business? Let us then turn to the Public  
16 Adviser's presentation.

17 Let me ask the court reporter. Are you  
18 picking up that mic okay?

19 COURT REPORTER: (Nodded).

20 HEARING OFFICER KRAMER: Thank you.

21 MS. MILLER: Hello everybody, thank you  
22 for coming this evening. My name is Elena Miller  
23 and I am the Public Adviser at the Energy  
24 Commission.

25 Some of you might be wondering, what is



1 a Public Adviser, and so I am offering this  
2 information to you to let you know that -- though  
3 it doesn't say that there I am a California  
4 attorney. I am licensed to practice law in the  
5 state. I was appointed to this position by the  
6 Governor. I am relatively new to the position. I  
7 joined the Commission this year and came to this  
8 job in July.

9 The reason I exist and my office exists  
10 are very specific in this proceeding. I am here  
11 to help anybody that wants to participate. I need  
12 to help people so that no one feels that they have  
13 not been allowed to participate. You do not need  
14 to be an attorney, you do not need to have an  
15 attorney. I will explain in a couple of slides  
16 how you can participate. The different ways of  
17 participating in this process.

18 We acknowledge at the Energy Commission  
19 and I in particular that this can be very  
20 confusing. So I encourage you to contact my  
21 office and seek out information. We currently  
22 have one intervenor in the case. They are  
23 fortunate to have attorneys on staff. But if any  
24 of you might find yourselves considering  
25 intervention I'll explain to you what that means

1 and what that entails. But please, if you are  
2 just in need of information call my office and we  
3 can get that for you.

4 And most importantly, I can recommend on  
5 how to participate effectively. Certainly people  
6 feel that they know how to participate and how to  
7 get their concerns across. But because this  
8 proceeding is a legal proceeding there are more  
9 effective ways than some would consider in their  
10 day-to-day lives so I can make recommendations for  
11 that.

12 And there are brochures on the table.  
13 And certainly I'll be here this evening if anybody  
14 has questions for me.

15 Some very valuable places to go for  
16 information at the Commission. I often talk to  
17 people and they have some questions that need to  
18 be answered soon. So the first place that I  
19 encourage people to go is to our Energy Commission  
20 website. It is a wealth of information about  
21 energy in the state of California. All sorts of  
22 related matters, not just this case or not just  
23 power plant cases. So if you are interested in  
24 the field go to the website.

25 That link, the first one there, is the

1 particular page for this project, Marsh Landing.

2 I have assigned myself to this project. Associate  
3 Public Adviser Loreen McMahon will speak later  
4 about the Willow Pass project.

5 Dockets. We have a unit within the  
6 Energy Commission and within our Siting Office  
7 called Dockets. They receive all documents. If  
8 you have a comment, a thought, a question, a  
9 concern, you can send it to Dockets. And what  
10 that means is that it will be sent to everybody  
11 that is a party. The staff will receive a copy of  
12 it. That is a really effective way to get your  
13 concerns heard and answered.

14 The List Server, that's another sort of  
15 an odd term. Many of you, I hope most of you have  
16 signed up on the sheets that are out on the front  
17 table. You are not required. I need to tell you  
18 that you are not required by California law to  
19 sign that sheet to be admitted to this event.

20 But if you sign that sheet what does  
21 that get you? Well it gets you more information  
22 and that is really valuable in proceedings like  
23 these where we have events coming up that have not  
24 yet been scheduled.

25 If you give us your home or business

1 address it will go there. If you give us your e-  
2 mail, we really like e-mail because it is real-  
3 time. I'll get it on my e-mail at work just as  
4 soon as you get it to your e-mail. That's the  
5 quickest, the fastest and the most efficient way  
6 to get that information. So if you have an e-mail  
7 I encourage you to give us your e-mail.

8 And if you don't want to get something  
9 in your mailbox and your e-mail then just check  
10 the box that says e-mail and that's where we will  
11 send it to you. I know sometimes that is a little  
12 confusing. So if you need to make corrections you  
13 can certainly cross your address out.

14 The other thing is penmanship. Some of  
15 you have better penmanship than others. And we go  
16 back to Sacramento and sometimes we just don't  
17 know who you are and we can't figure it out. So  
18 if you really want to receive this information do  
19 your best to write legibly because we appreciate  
20 that, certainly.

21 Where to get information in your  
22 community. This is a valuable tool, especially  
23 for those that don't have the Internet. These  
24 three libraries have copies of the Application for  
25 Certification. That's the original document that

1 Mirant Corporation filed with the Energy  
2 Commission to start this process. We use a lot of  
3 acronyms and the Hearing Officer indicated that.  
4 It's what we call the AFC.

5 That AFC is also on the Energy  
6 Commission website. It is a large document. If  
7 you can envision three large ring binders. I  
8 think it's two or three of those very large  
9 binders filled with paper. These libraries have  
10 it, they have it on CD-ROM as well. But if you  
11 have the Internet the best place to read it is in  
12 the comfort of your computer area.

13 And that link right there is where to go  
14 on the Energy Commission website to go  
15 specifically to the documents filed in this case.

16 Outreach for this event tonight that's  
17 been done. The Energy Commission noticed when the  
18 AFC came into the Energy Commission. Our siting  
19 division sent notice to property owners within  
20 1,000 feet of the project.

21 Letters to librarians throughout the  
22 state. Not just those three libraries in this  
23 area but libraries up and down the entire state of  
24 California received copies of it.

25 Letters are sent to local governments,

1 state and federal with copies of the CD of the  
2 Application and letters go out to all elected  
3 officials.

4 Now for tonight's event notice was sent  
5 out both by our Hearing Office and by my office  
6 separately. So some of you here tonight are here  
7 because you received a notice from me and some of  
8 you may have seen something, the notice that the  
9 Hearing Office sent.

10 The Proof of Service list. The Proof of  
11 Service has the list of all of the parties. Those  
12 are official people. The staff people are  
13 parties. Anybody who has intervened becomes a  
14 party and I'll explain that too shortly. A lot of  
15 notice was given and outreach.

16 If anybody is not here tonight that you  
17 think ought to know about this project please  
18 spread the word. Because that is a valuable tool  
19 and I appreciate word of mouth. I encourage you  
20 to bring people in to us. If you know of anybody  
21 contact my office and we can add them to our list.

22 My office, we sent a notice both in  
23 English and Spanish. We sent it to the Mayor and  
24 many local officials. I've listed -- We've got  
25 local tribal members. Not tribal lands but tribal

1 members in this area that we sent to, senior  
2 citizens groups, churches, community  
3 organizations, nonprofits.

4 We also placed ads in the East County  
5 Times and the Fronteras newspaper.

6 How to participate. This is really the  
7 bread and butter of my office and what I do. The  
8 first thing you can do that is very valuable is to  
9 do exactly what you have done tonight, is to  
10 attend our publicly noticed events.

11 That sign-in sheet is really important,  
12 I mentioned that.

13 If anybody needs assistance, if English  
14 is not their first language, let us know in  
15 advance so that we can make arrangements and have  
16 an interpreter available.

17 If anybody needs special accommodations  
18 with disabilities you can certainly call my office  
19 but we have somebody designated at the Energy  
20 Commission. Her name is Lourdes Quiroz and her  
21 contact information is listed there as well.

22 You are encouraged to participate and to  
23 comment. And these blue cards that I am holding  
24 in my hand are the way that we know and the  
25 Hearing Officer knows that you want to stand up

1        tonight and share your thoughts and you concerns.  
2        There are some out at the table. I have got some  
3        extras here that I will hand out if anybody wants  
4        some tonight. I'll give them out after my  
5        presentation.

6                Okay, there are two levels of  
7        participation in the Energy Commission proceedings  
8        and this is difficult and challenging sometimes  
9        because people want to be able to comment and have  
10       that be the most effective and to be considered  
11       when the final decision is made.

12               Informal participation means that you  
13       are making your voice heard, that you have come to  
14       the events, you have filled out blue cards, you  
15       have given verbal comments.

16               You have also submitted written comments  
17       or statements to the Commission. There is that  
18       Dockets unit again. And in the parentheses is the  
19       docket number for this case. That is very  
20       valuable and helpful. We really appreciate when  
21       your written comments come in to us either via by  
22       e-mail or mail or fax, that they include that  
23       number. Because we have I think currently 24  
24       siting cases. Our Dockets staff couldn't possibly  
25       know every case that is getting a comment without



1       that number.

2               Your comments.  If you are just  
3       providing comments and you are not, if you are  
4       just informally participating they are considered  
5       by the Commission, they become part of the record  
6       but they are not evidence.  And this is a quasi-  
7       judicial proceeding.  Evidence is what the final  
8       decision is based on.  And so if we go to the next  
9       slide I'll elaborate on that.

10              Formal participation.  So I have gone  
11      over informal participation.  Now I am going to  
12      talk about formal participation.  We call that  
13      intervenor.  We had one -- In this case a Petition  
14      to Intervene was granted on December 15 to CURE.  
15      That means that they have become a formal party in  
16      the proceeding.

17              You formally participate by contacting  
18      my office.  If you go to my website we have a  
19      sample.  We have guidance for you on how to fill  
20      that petition out.  My job is to help anybody that  
21      is feeling insecure or uncomfortable.  If you have  
22      questions please let me know, I'm there to help.  
23      And then you need to file your petition.  Let me  
24      clarify by saying that I cannot represent anybody.  
25      My client will remain the State of California.

1 But I can help people and give you guidance on how  
2 to participate.

3 Who can become an intervenor? Anyone  
4 can file a petition to intervene. Individuals,  
5 organizations, a group of people that share the  
6 same concerns can name one person as their leader  
7 and intervene but have, you know, a number of  
8 people behind that person. We have seen many  
9 different circumstances on people that choose to  
10 intervene.

11 You do not have to be an attorney to  
12 intervene, I have mentioned that.

13 The petition will be considered by the  
14 assigned committee of two Commissioners. We have  
15 Commissioner Boyd and Commissioner Douglas.

16 If approved you become a party to this  
17 proceeding.

18 The benefits and responsibilities to  
19 intervene. If you consider this you will find  
20 yourself wondering what everybody does, what do I  
21 get for doing this. Why would I bother doing this  
22 instead of just submitting comments or questions.

23 You will receive all filings in the  
24 case. That means a copy of the actual documents,  
25 not just a notice that a document was filed.

1           You will receive notices of hearings and  
2       workshops through the proof of service list. You  
3       become part of that proof of service list.

4           You will be allowed to fully participate  
5       in the process of obtaining information. In  
6       return your responsibilities are to file  
7       documents, to serve them on all of the parties. I  
8       indicated this is a legal proceeding, there are  
9       motions and petitions and objections and briefs.  
10      That's why they have a lawyer as a Public Adviser,  
11      I can help you, explain that to you and guide you  
12      in what those documents need to look like.

13           You may present evidence and witnesses  
14      and you will also be able to cross-examine the  
15      witnesses presented by other parties.

16           That's me, that's my contact  
17      information. You can e-mail me at  
18      publicadviser@energy.state.ca.us and the www is my  
19      website. Like I said, there's a lot of  
20      information there.

21           Thank you. If you have questions please  
22      find me. Thank you.

23           HEARING OFFICER KRAMER: Thank you. The  
24      applicant.

25           MR. SACKS: Good evening, everybody. My

1 name is Jonathan Sacks. I am the project director  
2 for Mirant. I am responsible for our business  
3 development and transaction activities here in  
4 California and on the West Coast.

5 I want to first of all welcome everybody  
6 here. It is great to see so many members of the  
7 public and to see so many agencies represented.  
8 Also we want to especially thank Commissioners  
9 Boyd and Douglas and Hearing Officer Kramer and  
10 the staff and the other members of the CEC for  
11 coming to this hearing.

12 Mirant is very excited about these  
13 projects and we are very happy to be here to  
14 inform everybody about these projects. We had a  
15 site tour earlier this afternoon and if you got to  
16 come along on that we very much appreciate that.  
17 We look forward to providing all the information  
18 that we need to to everyone here about our  
19 project.

20 Mirant is an independent power producer.  
21 We own 13 power plants in the Mid-Atlantic, that's  
22 Washington DC, New York, Boston and California  
23 areas. The total generating capacity is in excess  
24 of 13,000 megawatts. We own three power plants  
25 here in the state of California. We own the

1 Contra Costa Power Plant in Antioch, which is the  
2 site of the Marsh Landing Generating Station. We  
3 own the Pittsburg Power Plant in Pittsburg,  
4 California, which is up the road, and we own the  
5 Potrero Power Plant in San Francisco, California.

6 Here is a graphical representation of  
7 our facilities. As you see, California, the  
8 Northeast, the Mid-Atlantic regions. We also have  
9 the capacity by fuel type at the bottom. The  
10 facilities that we are talking about today will  
11 all be powered by natural gas.

12 So why are we really here? What is the  
13 reason for new generation facilities here in  
14 California? Well the fact is that California  
15 needs new efficient electric generating capacity.  
16 And there's several reasons for that. One is the  
17 increased use of intermittent renewables requires  
18 power plants that are flexible and dispatchable  
19 and are able to rapidly increase and decrease  
20 output as needed. Also there are other reasons  
21 such as load growth and just from economic growth,  
22 et cetera.

23 Why here? Well there are several  
24 reasons for that. First of all state policy  
25 certainly encourages the construction of new units

1 at existing facilities. We call this brownfield  
2 development. And this is, this is an efficient  
3 use of existing resources and allows  
4 infrastructure to be built with minimization of  
5 off-site impacts and also to utilize  
6 infrastructure that is already in place to assure  
7 that new infrastructure is added in the most cost-  
8 efficient manner so that we can most effectively  
9 deliver electricity to customers.

10 And then the other reason or another  
11 reason is that new capacity is needed to meet  
12 local reliability needs. There are a number of  
13 so-called reliability areas. These relate to  
14 primarily the transmission system and where  
15 electric demand is located throughout the state.

16 Currently where we are right now is in  
17 the greater Bay Area reliability area. And these  
18 areas are transmission constrained and so that  
19 electricity from other places outside of this area  
20 cannot effectively import power to here. And so  
21 in order to keep the lights on here we need to add  
22 new resources in this area.

23 You see a map of the project location.  
24 We are on the left hand side at the You Are Here,  
25 at Delta Diablo's facilities. I will certainly

1 echo the previous comments earlier. We appreciate  
2 Delta Diablo allowing us to meet here in their  
3 facility and take over for the day.

4 About four and a half miles to the east  
5 you see the Marsh Landing Generating Station,  
6 which is wholly contained within the existing  
7 Contra Costa Power Plant site. The Contra Costa  
8 Power Plant site is the site that is owned by  
9 Mirant and is currently a power plant. And we  
10 will talk a little about that in a minute.

11 The next slide is a visual simulation  
12 showing the existing facility in the bottom left  
13 hand corner. That is the site as it exists,  
14 basically within the last six weeks. You see on  
15 the left, which is the western side, you see the  
16 eight large oil tanks, fuel oil tanks. You see  
17 the red building in the background in the center  
18 which is retired Units 1 through 5 of the Contra  
19 Costa facility.

20 To the right, that's the east of that  
21 red brick building, you see a large stack. That  
22 is the combined stack for Units 6 and 7. And then  
23 off to the right you see, a little harder to see  
24 but on the right hand side you see a slight plume.  
25 That is the Gateway Generating Facility, which is

1 owned by PG&E and is located on the eastern  
2 boundary of the property.

3 The larger picture. You see that the  
4 five oil tanks on the left hand side, on the  
5 western side have been removed and have been  
6 replaced by four generating units. And those are  
7 the new, those are the new proposed units of the  
8 Marsh Landing Generating Station. They would be,  
9 they are wholly contained within the existing  
10 facility and you can see exactly where they are  
11 located there.

12 The next slide is a brief video that we  
13 are going to show you and that video will show you  
14 basically the demolition of the existing equipment  
15 to be replaced by the new equipment and I'll let  
16 it go.

17 (Whereupon a video was shown.)

18 MR. SACKS: And just like that it's  
19 done.

20 (Laughter)

21 MR. SACKS: The next slide is an  
22 overview of our site and to kind of give you an  
23 idea about where the various facilities will be  
24 placed at the site. The red basically rectangular  
25 area on the left hand side, again the western



1 side, around the five tanks, is the property  
2 boundary of the Marsh Landing Generating Station  
3 facility. You see the note there to demolish the  
4 five tanks.

5 There are the green shaded areas, which  
6 represent construction laydown, office and parking  
7 areas. A lot of those areas are currently being  
8 used by PG&E for construction laydown, office and  
9 parking for the PG&E generating station, as I  
10 said, on the western side.

11 One thing. The orange-boundaried, it  
12 looks kind of brown on the slide but it is  
13 actually orange, is land that is owned by PG&E.  
14 So the PG&E switchyard as well as the PG&E Gateway  
15 Generating Station are lands that are owned by  
16 PG&E.

17 One other note that we didn't discuss  
18 earlier today is the gas supply pipeline. Along  
19 the eastern side of the property, that's the right  
20 hand side of the page as you are looking at, is  
21 PG&E Line 400. Line 400 is a large interstate gas  
22 transmission line, a major trunk line. It would  
23 be -- We would tap into that line immediately  
24 adjacent to the property and then run the gas  
25 pipeline along the green, along the green line

1 over to the compression stations. We will talk  
2 about the water supply on another slide.

3 Some benefits of the project. The  
4 project is a stand-alone facility. It will be the  
5 space that you saw that was occupied by the red  
6 area. It's about 27 acres, a little less than a  
7 quarter of the entire 114 acre Contra Costa Power  
8 Plant site. That 114 acres does not include the  
9 lands that are owned by PG&E.

10 As I said earlier, this is a brownfield  
11 development, which again is that it is utilizing  
12 land that is already industrial, already has  
13 existing infrastructure site, in place at the  
14 site. It is an existing power plant site. It has  
15 been a power plant site since the 1950s. It is in  
16 a heavy industrial area. And as I said earlier,  
17 it is in a local reliability area, which ensures  
18 that the local area here has the power it needs to  
19 continue to grow.

20 We will be demolishing five of the fuel  
21 oil tanks. We will remove those to make room for  
22 the new facility. We will locate the plant within  
23 the existing facility footprint and we will  
24 certainly recycle demolition materials where that  
25 is feasible.

1           As I said earlier, it is adjacent to  
2           existing infrastructure. The PG&E substation is  
3           on-site and in place. And the transmission and  
4           gas lines are in place so there will be no need  
5           for any new off-site linears to those.

6           We will be building a new, small  
7           administration building and control room and a  
8           water treatment building for the units. We are  
9           pursuing LEED certification. LEED is Leadership  
10          and Excellence in Environmental Design and it is a  
11          nationally recognized program for green building.

12          We plan to start construction hopefully  
13          in 2009 or early 2010. That is in one, in one  
14          area that is certainly dependant on the timing of  
15          these proceedings and when that CEC certification  
16          is received. And we could be ready to start  
17          commercial operation as early as 2012.

18          We are anticipating that this project  
19          would create, would employ at peak 400 union  
20          construction jobs and estimated sales tax revenue  
21          related to construction is in excess of \$2.5  
22          million.

23          As I showed earlier in the slide, the  
24          laydown and parking areas are all located on-site  
25          so there won't be any need to have off-site

1        laydown areas or parking for the employees. And  
2        all of these would use previously disturbed and  
3        previously utilized areas.

4                Quickly. We have a plot plan here which  
5        shows you the layout of the general units. The  
6        first two units in the green on the left hand  
7        side, again, that's the western side, are the  
8        Siemens Flex Plant 10 units. We'll talk about  
9        those in a little more detail on the next page.  
10       The two units on the right, on the eastern side,  
11       are the two simple-cycle combustion turbine units  
12       and we will talk about those as well.

13               The Siemens one-on-one, so-called one-  
14       on-one for one gas turbine supplying one steam  
15       turbine, are Siemens Flex Plant 10 units. And the  
16       two simple-cycle units are Siemens 5000F machines.  
17       both of these units, all four of these units are  
18       state-of-the-art. They are highly efficient with  
19       ultra-low emissions. They are fast-start with low  
20       start-up emissions. They provide operational  
21       flexibility to follow load and respond to changes  
22       in renewable output. This means that they only  
23       operate when they are needed.

24               In today's world units are left on-line,  
25       for example, at minimums overnight so that they

1 can meet the dispatch of the next day. These  
2 units are able to quickly start up and be  
3 available to be dispatched the next day so they  
4 can be turned off and then turned on again the  
5 next morning. This minimizes emissions and also  
6 maximizes efficiencies.

7 All permitted emissions will be offset  
8 by local emission reduction credits. Mirant  
9 currently is in possession of local emission  
10 reduction credits that we have procured over the  
11 years from local sources. A lot of them relate  
12 to, for example, the Gaylord facility that was  
13 located adjacent to the Marsh Landing facility.  
14 And we will be surrendering the required emission  
15 reduction credits to the appropriate agencies upon  
16 permitting.

17 The simple-cycle units, the two units  
18 that are on the eastern side of the property that  
19 we constructing, are being laid out. I know we  
20 had some questions earlier related to why they  
21 were so far apart. And the reason is that we are  
22 reserving space so that they could be converted to  
23 Flex Plant 10 units in the future. That is not a  
24 part of this proceeding, that is a potential for  
25 down the road. And if we make the decision to do

1       that there will be another set of hearings and  
2       another docket that is opened up related to that.  
3       But it would be much further down the road.

4               The facility, as we said earlier -- The  
5       facility is a natural gas-only facility. Natural  
6       gas is a clean and abundant domestic fuel source.  
7       It is, it is the cleanest burning fossil fuel and  
8       it limits combustion emissions. Pipeline quality  
9       natural gas ensures that it is of the highest  
10      quality.

11             The air cooled heat exchangers are the  
12      air cooling mechanisms that will allow the  
13      facility to operate and to cool the water that is  
14      used for the steam cycles. It is a compact design  
15      and there is less visual impact than typical air  
16      cooled condensers.

17             Finally, the total generating capacity  
18      of the facility is about 930 megawatts. This is  
19      equivalent to supplying the power necessary to  
20      power 750,000 homes.

21             Recycled water. The facility plans to  
22      utilize recycled water from Delta Diablo  
23      Sanitation District for its process purposes.  
24      There is located just to the east of the Marsh  
25      Landing facility, about a mile away, a lift

1 station called the Bridgehead Lift Station. This  
2 lift station is currently in operation by Delta  
3 Diablo. It was put into service about six months  
4 ago this summer. And we would basically propose a  
5 satellite treatment facility at the Delta Diablo  
6 Bridgehead Lift Station and then we would run a  
7 pipe to and from that facility to the Marsh  
8 Landing Facility to be the water supply and  
9 discharge for the process purposes.

10 As we said the facility is dry-cooled so  
11 it uses air rather than water for cooling  
12 purposes. This minimizes the amount of water that  
13 is needed for the facility. It does fully satisfy  
14 the CEC policies regarding the use of water for  
15 cooling. And most importantly, if you were out  
16 there today you certainly noticed from the various  
17 wet-cooled facilities around this area that they  
18 do create a significant visual plume. The dry-  
19 cooled facilities do not create any sort of visual  
20 plume.

21 The plant does use a small amount of  
22 recycled water. This is water that would  
23 otherwise have been discharged by Delta Diablo.  
24 It conserves fresh, potable water for other uses.  
25 And furthermore, the location of the facility near

1 the existing Bridgehead Lift Station minimizes the  
2 need for off-site linears for the water supply and  
3 discharge a mile from the site.

4 Community economic benefits. We have  
5 estimated \$2.5 million during the construction  
6 period for sales tax revenue with \$25,000 a year  
7 estimated during operation. Up to \$9 million a  
8 year in annual property tax revenue and a small  
9 payment to the school district as part of the  
10 construction.

11 As we said, the jobs, 400 union  
12 construction jobs at peak. And during operation,  
13 about 20 full-time employees, also union, with  
14 about a \$3.5 million annual payroll.

15 So in summary, we are looking to provide  
16 necessary, efficient electric generation to  
17 Northern California and the local area.

18 Brownfield redevelopment is an excellent  
19 way to utilize infrastructure that is in place and  
20 preserve greenfield sites for other development.

21 The facility connects to the adjacent  
22 PG&E switchyard.

23 It provides local tax revenues and job  
24 opportunities.

25 And there are no significant



1 environmental impacts.

2 Finally, contact information. We  
3 certainly welcome any questions or comments from  
4 the public. Chip Little is our manager of  
5 external affairs and is the community relations  
6 manager for this site. He can be reached at  
7 925-779-6599.

8 There is also a website. It's  
9 [www.mirantmarshlanding.com](http://www.mirantmarshlanding.com). And on that website  
10 you will find links to the CEC page, you will find  
11 Chip's name and phone number and an e-mail address  
12 that you can send any questions or comments that  
13 you may have. And also you can find some  
14 information about the project as well and about  
15 Mirant in general.

16 We do thank everyone for coming and hope  
17 everyone has a great evening. And if you have any  
18 questions please feel free to ask. And with that  
19 I am going to turn this over to Gary Darling who  
20 is the general manager of the Delta Diablo  
21 Sanitation District. Thank you.

22 MR. DARLING: Thank you, Mr. Sacks. I  
23 have a brief presentation that gives a little bit  
24 of background regarding Delta Diablo Sanitation  
25 District and talk a little bit about our

1 philosophy here at the district regarding the  
2 development of recycled water.

3 So a little overview. Delta Diablo was  
4 originally formed in 1955 to protect the health  
5 and public -- of the public and environment by  
6 collecting and effectively treating wastewater.  
7 Our service area is approximately 42 square miles  
8 and we collect and treat wastewater from  
9 approximately 200,000 residents in this area.

10 Our system includes wastewater treatment  
11 facilities, several pump stations and we provide  
12 primary and secondary treatment, as well as  
13 tertiary treatment, for two existing power plants  
14 and several landscape projects. Our treated  
15 effluent is discharged to the New York Slough just  
16 to the north of us, which is a section of the San  
17 Joaquin River. In 2006 Delta Diablo Sanitation  
18 District treated an average of 14.2 million  
19 gallons per day.

20 So this is a slide of our service area.  
21 The inset there, you can see the basic boundary  
22 and where we are located right in the middle of  
23 our district. We serve the cities of Antioch and  
24 Pittsburg and Bay Point. Again, approximately  
25 200,000 customers. Our board is a board of three,

1 a public agency. The mayors of the City of  
2 Antioch, the City of Pittsburg and the Board of --  
3 the Supervisor from the County Board of  
4 Supervisors for District 5.

5 This district has a very forward  
6 philosophy as it relates to our industry. What  
7 was once a paradigm of strictly wastewater  
8 treatment at the lowest cost possible and a  
9 discharge that meets our permits, we have now  
10 turned our focus to not only doing that but to  
11 also developing other resources, sustainable  
12 resource development from our treatment process.  
13 Both in the form of -- Recycled water is a good  
14 example.

15 For example, in the Bay Area the total  
16 use of water in the Bay Area is approximately 1.2  
17 million acre feet. Almost half of that is used  
18 and deposited or drains through our pipelines to  
19 our treatment plants in the Bay Area and so that's  
20 approximately 600,000 acre feet of water that one  
21 could consider is wasted if it is just emptied  
22 into the bay or the ocean. So that is a  
23 tremendous resource that could be developed in the  
24 Bay Area and we are very, very involved in that.

25 We are also involved in a desalination

1 concept for the Bay Area as a new water supply.  
2 This area to the north of us is the brackish,  
3 western part of the Delta and it would make an  
4 excellent potential new water supply for the Bay  
5 Area and beyond and we are involved in that.

6 The biosolids energy is another example  
7 of a wasted resource. The end product of all our  
8 facilities, we call it biosolids. It's sludge  
9 that we truck off to either landfills or to  
10 farmers and give it away. And actually as it  
11 turns out that has a lot of fuel value so we are  
12 actively pursuing a renewable energy project with  
13 that in the Bay Area. We have now 17 agencies  
14 that have joined together to work on that.

15 And finally, we are also not just  
16 focused on wastewater but looking at what are the  
17 other watershed opportunities, particularly  
18 related to stormwater, whether it's summertime  
19 flows or the first flush.

20 An example of one of the coalitions, we  
21 actually lead this on behalf of the Bay Area.  
22 There's now ten agencies that have joined together  
23 to advocate the federal government to look for  
24 loans and grants to develop recycled water  
25 supplies in the Bay Area. And we have had great

1 success in Congress in getting a bill passed for  
2 the Bay Area. Our coalition philosophy is each  
3 agency supports each other rather than a  
4 traditional paradigm of agencies competing for  
5 limited resources.

6 Recycled water pretty much sells itself.  
7 Again, we are part of a larger Bay Area program.  
8 In 2001 we began our operations here at the  
9 district. As I mentioned before we serve two  
10 power plants, one is right next door that you saw  
11 on the way in. Both of those are owned by  
12 Calpine. And we are in the process of moving our  
13 recycled water also to two new projects that  
14 include two golf courses and five city parks  
15 within our service area.

16 Our facility is one of the largest  
17 industrial recycled water projects in the state of  
18 California. Again, it began operation in 2001  
19 providing water to two power plants and we have  
20 not shut down for any reason. So it has been a  
21 very reliable and robust system.

22 So why use recycled water? I talked  
23 about the concept of why not, why waste it. The  
24 benefits include using recycled water for  
25 industries such as power plants reduces the demand

1 of using fresh potable water. Using recycled  
2 water reduces discharges to the river.

3 Some of the reasons to use it is to make  
4 use of a resource that would otherwise not be  
5 used. It does not depend on weather or climate.  
6 It is a very reliable water supply for industrial  
7 applications and urban landscaping.

8 Delta Diablo does have sufficient  
9 quantities of recycled water to supply this  
10 proposed project. The Delta Diablo recycled water  
11 facility and lift stations are conveniently  
12 located near the project site.

13 Another study that we are involved in.  
14 We actually have now, we are reaching a point  
15 where there is enough demand on our system. You  
16 can see on the left hand side recycled water  
17 needs. We have the existing Calpine plants.  
18 Tonight we are considering or involved in this  
19 process with two new Mirant plants. PG&E has  
20 indicated they may build another plant in this  
21 area in the future. We have got five smaller  
22 power plants owned by GWF, a couple of industrial  
23 customers that are interested.

24 So we simply don't have enough recycled  
25 water in the very long term. So looking beyond

1       for future customers and beyond say the 2020 time  
2       frame. So we are involved with a -- are leading a  
3       study in a partnership with the State of  
4       California as well as other agencies in our area  
5       including the two cities in our service area, the  
6       sanitation districts both to the east and west of  
7       us as well as the water district locally and  
8       Mirant and PG&E are part of that study.

9               That is looking at ways of possibly  
10       bringing in tertiary or water that can be used for  
11       recycled water both from the west and the east of  
12       our boundaries. So it would be a great regional  
13       project. That is nearing completion within the  
14       next four or five months.

15              So as an agency that is forward thinking  
16       we were very much aware that water and energy has  
17       a very tight nexus. A statistic that somewhere in  
18       the neighborhood of 20 percent of electricity in  
19       California is used to either pump water or treat  
20       water, heat water. So we are looking at ways of  
21       developing new, sustainable energy resources. We  
22       have got a solar project that is moving forward.  
23       There's biosolids to energy and other biofuels are  
24       on the plate. So it's a very exciting time for  
25       our agency.

1                   And again, our philosophy is to be  
2       forward thinking. And this is really in terms of  
3       we look down the road 30, 50, 100 years from now.  
4       And the resources that we are developing are for  
5       the next generation. That squarely is the  
6       philosophy of this district. Thank you very much.

7                   HEARING OFFICER KRAMER: Thank you.  
8       Mr. Carniglia from the City.

9                   MR. CARNIGLIA: Thank you once again for  
10      the opportunity to speak here and become involved  
11      in this process. I want to just kind of start out  
12      indicating that the process today has been very  
13      inclusive. Mr. Monasmith has been doing his  
14      utmost to keep us apprised of what is going on.  
15      And given the day-to-day stuff that goes on at  
16      City Hall it is great to have that kind of  
17      reminder and kind of outreach. So we really  
18      appreciate that at the local level.

19                  I think it would be helpful for me just  
20      for a minute to give the CEC kind of a quick  
21      background in terms of kind of the City's role and  
22      what is happening out in that area. The whole  
23      waterfront, roughly 600 acres, that whole area  
24      north of Wilbur Avenue is currently in the county.

25                  And most people that come to the city



1 look at it and assume it is part of Antioch but  
2 it's not. It has been in our sphere of influence  
3 almost as old as I am. It's been a long time, 40  
4 or 50 years, and we are now in the process of  
5 annexing it. We have an annexation application in  
6 with LAFCO and we are aggressively pursuing that  
7 at LAFCO. The annexation essentially covers that  
8 entire industrial area and that will bring in this  
9 Marsh Landing Power Plant, it will bring in the  
10 Gateway Power Plant and essentially all the other  
11 heavy industrial areas along the water.

12 In terms of the City's ability to  
13 provide services. We have looked at the whole  
14 realm of what is needed out there. Obviously as  
15 Mr. Darling indicated in terms of process water,  
16 that is going to be the recycled water. The City  
17 would be providing potable water. And then we  
18 have an arrangement in the City where essentially  
19 we provide the, I guess the sewage collection so  
20 to speak, and the treatment is provided by DDSD.

21 Also we would be taking care of the  
22 roads, the police and the whole thing. So we have  
23 worked with Mirant. We understood their needs in  
24 terms of the quantities that they are looking at  
25 and we will be able to provide what is needed to

1       serve this area.

2               From a processing standpoint I am kind  
3       of reticent to come up with exact dates because  
4       the annexation process can be a little bit  
5       torturous. But it is our expectation that we  
6       should be finished with the process. Essentially  
7       that area will become part of the City of Antioch,  
8       the whole larger 600 acres, in essentially June,  
9       July of 2009. So roughly six months plus or  
10      minus.

11             In terms of what we have seen to date  
12      with the application from a City perspective. We  
13      are supportive, you know. We obviously need to  
14      learn more as we go through this process with the  
15      CEC but we are very supportive based on the  
16      information we have to date. We have had a good  
17      working relationship with Mirant, they have been  
18      very forthcoming and address and meet our concerns  
19      and questions when we raise them.

20             One issue that wasn't brought up or  
21      hasn't been brought up. I think Mirant did a good  
22      job and Gary in terms of talking about some of the  
23      pluses of the plant. From a City point of view,  
24      and maybe this is a somewhat parochial way of  
25      looking at it, but it would seem another possible

1 benefit is right now you have those big units out  
2 there with the big stack. I think they are Six  
3 and Seven, I may have the numbers wrong.

4 But it would seem that if this plant  
5 came on-line, given that it is new, state-of-the-  
6 art, and my presumption is more cost-effective to  
7 run, that that would help kind of hurry along the  
8 eventual decommissioning of those plants. That  
9 would have a definite benefit, I would think, on  
10 overall air quality in the area and definitely in  
11 terms of water usage.

12 Because it is my understanding that  
13 those two units out there tied to that big stack  
14 use a once-through cooling cycle, which, you know,  
15 is exponentially -- maybe that's not even a strong  
16 enough word, more water use than the proposed  
17 plant.

18 So once again we would just like to  
19 thank you very much. We would like to do whatever  
20 we can from the City point of view to work with  
21 the CEC and help participate in this process. We  
22 understand the City has the lead on this based on  
23 the way the state law works. And frankly, given  
24 the complexity and the number of technical issues  
25 here it probably makes a lot of sense handling it

1       that way. So we are excited about working with  
2       the CEC and watching this project as it goes  
3       forward. Thank you.

4               HEARING OFFICER KRAMER: One question.  
5       Has the City pre-zoned the area then?

6               MR. CARNIGLIA: We have not. We have  
7       initiated the annexation. The pre-zoning.  
8       There's been some issues about the exact boundary  
9       of the area as it relates to non-industrial areas.  
10      So until we have a better sense of that, which  
11      hinges on an economic analysis which we just  
12      received, we were not able to make a decision  
13      about the precise boundary to pre-zone. So that  
14      is scheduled right now for February, the pre-  
15      zoning.

16              HEARING OFFICER KRAMER: But it would be  
17      available or completed at the time the  
18      application --

19              MR. CARNIGLIA: Oh yes, it would have to  
20      be. We would not even have a complete application  
21      at LAFCO. So our general plan designation is  
22      essentially identical to what's the County and  
23      provides for a power plant at this location. So  
24      there really are no general plan or zoning issues  
25      that we are concerned about or would likely come

1 up. It's more of a boundary definitional issue in  
2 terms of what we need to pre-zone.

3 HEARING OFFICER KRAMER: Thank you. I'm  
4 sure the staff will appreciate your cooperation  
5 because they like to obtain all the information  
6 they can from you about your policies and such.

7 Now it's Commission staff's turn.  
8 Mr. Monasmith.

9 MR. MONASMITH: Can you guys hear me  
10 like this or do I need to hold this up to my  
11 mouth? Are you okay, you guys good? All right.

12 Hello, my name is Mike Monasmith. I  
13 work in the siting, transmission and environmental  
14 protection division at the California Energy  
15 Commission. I am a project manager.

16 I am the project manager for the Marsh  
17 Landing Generating Station. I am part of a team  
18 of scientists, engineers, analysts, many of whom  
19 are in the audience. Maybe all of the CEC staff  
20 can raise their hand who are in here. We will be  
21 doing the analysis on this project. Working with  
22 others, the applicant, intervenors, members of the  
23 public and local agencies. So we look forward to  
24 this.

25 The Energy Commission is by law charged

1 with reviewing, we are the regulatory agency for  
2 all power plants larger than 50 megawatts. This  
3 one quite a bit larger, 930, as well as all  
4 ancillary lines. So anything that is needed to  
5 run this power plant. We also look at  
6 transmission, natural gas, water, roads, anything  
7 of that sort. It is part of this permit. We look  
8 at the entirety of the application and we will do  
9 a review and analysis of that.

10 I am going to talk a little bit about  
11 the process first, on how that review will move  
12 forward over the next months. And then I will get  
13 specific about some of the issues with this  
14 particular power plant application.

15 How do we get here? This power plant  
16 proposal or Application for Certification as we  
17 call it, AFC, was filed by Mirant with the Energy  
18 Commission back in late May, May 30. It's  
19 actually right here. It's what is holding up my  
20 microphone. It's about four inches thick and  
21 there is actually another one just like that which  
22 has all the appendices.

23 Over the summer after receiving this our  
24 staff made an analysis and over the summer we  
25 collected more information. We needed more

1 information on transmission and a number of areas.  
2 More data in order for us to officially begin the  
3 review. And that occurred over the summer.

4 And then in September the Energy  
5 Commission deemed the application data adequate.  
6 We had everything we needed to actually start the  
7 process of review. That started.

8 After that we issued an Issues  
9 Identification Report in October, of which there  
10 are copies in the back if anyone wants to look at  
11 them. There's also copies of my PowerPoint if  
12 anyone wants to get those later they can.

13 The Issues Identification Report, I'll  
14 talk a little bit more about what that consists of  
15 but it is part of our process. Initially just  
16 telling the Committee and other parties some of  
17 the issues that we are looking at, some of the  
18 kind of top line issues of a significant,  
19 potentially significant nature.

20 That was followed in mid-November by  
21 data requests, we call them. Essentially  
22 questions. It was staff's ability to ask the  
23 applicant certain questions about this proposal,  
24 of which we received answers back, what we call  
25 data responses, 30 days later. We received those

1 on Monday.

2 And we actually -- Staff did a quick  
3 turnaround, a quick analysis. We actually met  
4 this morning on a couple of those issues and I'll  
5 talk to you later about what those were. We  
6 figured, we were here today for the Informational  
7 Hearing and Site Visit, we would have staff meet  
8 this morning with the applicant and others that  
9 are here today from other agencies about some of  
10 these issues.

11 So we have already had one workshop on  
12 the data responses, trying to find some  
13 resolution, and we will have more. That's part of  
14 the discovery. We are still in the middle of it  
15 but that is part of the discovery.

16 Number three is the Evidentiary Hearings  
17 and the Decision. I'll talk a little bit more  
18 about that. That's more the realm of the  
19 Committee as opposed to staff. We are a party to  
20 that as will be the applicant and others but that  
21 is really their bailiwick. And I'll talk to you a  
22 little bit about what that evidentiary hearing  
23 process involves, what it is about, when it will  
24 probably occur.

25 So this discovery and analysis process.



1       You heard earlier from Elena Miller, she is the  
2       Public Adviser. Her and her office will assist  
3       the public and intervenors in the process. She  
4       assists them in the discovery and analysis, giving  
5       them information, facilitating their participation  
6       in a meaningful manner. We count on that, it is  
7       an important component to what we do.

8               We also obviously ask questions of the  
9       applicant. We just got through with this round of  
10      data requests, data responses, we did a workshop,  
11      we will do more. They are obviously a party  
12      important to that.

13             As are local agencies. We have the Bay  
14      Area Air Quality Management District, we have  
15      regional water control boards. We will be dealing  
16      with a lot of agencies at the county, state and  
17      federal level, which I will list for you later.  
18      They are an important part of our process, we work  
19      with them, we count on them. We need them in  
20      order to make a full and thorough analysis of this  
21      project. Its impacts on health, safety,  
22      environmental protection, you name it.

23             We talked a little bit about this  
24      already. But what we are really looking at when  
25      we go into this discovery is a number of issues.

1 We will probably look at about 20, 19 or 20  
2 specific technical areas. Potential impacts this  
3 power plant could have on everything from air  
4 quality, biology, technical aspects like  
5 efficiency, reliability, noise, transmission  
6 system engineering. We look at the impacts on  
7 land, the visual impacts. It's a full spectrum of  
8 issues that we look at.

9 And for every one of those issues we  
10 have a staff expert. Many times scientists with  
11 PhDs, much smarter than me, who look at these  
12 issues and will be doing the analysis on a  
13 technical section by technical section basis.  
14 Which in the end will provide us with a full  
15 spectrum, which we call a Staff Assessment, it's  
16 like a Draft EIR, which Hearing Officer Kramer  
17 mentioned earlier. And that will be our testimony  
18 when we go into evidentiary hearings.

19 But we are in the process of developing  
20 that right now. We need you to help us along with  
21 that. Obviously the local agencies. It is  
22 especially important for us to work with local  
23 agencies. In this case Contra Costa county and  
24 the City of Antioch. It's very important.

25 We do the environmental engineering

1       analysis, we looked at compliance with existing  
2       laws, ordinances, regulations and standards or  
3       LORS to make sure that the power plant will not  
4       have a significant impact. That it complies with  
5       existing LORS and where it doesn't we need to make  
6       mention of that.

7               We will identify potential mitigation  
8       measures which we will ultimately call Conditions  
9       of Certification which we will recommend to the  
10      Committee be implemented if they indeed decide to  
11      approve this permit and allow this power plant to  
12      be constructed and operate.

13             And it is very important that we  
14      identify those and we also take a lot of input  
15      from intervenors and local agencies, state and  
16      federal as well, in determining those.

17             Discovery analysis is also part of  
18      facilitating public and agency participation, I  
19      talked about that. And then producing ultimately  
20      the Staff Assessment. Both the Preliminary, which  
21      is like a draft, and then the Final. Which will  
22      be our testimony, our signed testimony that we  
23      will present to the Committee that they will then  
24      view in that process we will talk about in a  
25      little bit.

1           All right. So as I talked about, after  
2       we get through with the discovery and analysis  
3       process and phase which we are in the middle of we  
4       then turn it over -- I don't know if we turn it  
5       over. They take it back, essentially.

6           The Committee is essentially the judge  
7       and jury. The two Commissioners and the Hearing  
8       Officer and their advisors are those that will  
9       make the ultimate and final decision of  
10      recommendation to the full five member commission.  
11      And I'll talk about what that decision is and the  
12      form it's called and when that will come along.

13           But all the parties you see around the  
14      middle will be important to this process. The  
15      Public Adviser again is an important role dealing  
16      with the intervenor. In this case we have got  
17      CURE, we will probably get some more intervenors.  
18      They are an official party. They will testify and  
19      present witnesses and evidence during the  
20      evidentiary hearings. Again, it will be on  
21      record, as today's proceedings are.

22           Workshops and other things that we do  
23      during discovery aren't. They are much more  
24      informal. When we met this morning we didn't have  
25      the court reporter, we didn't have any of this.

1       It was much more kind of rolling up your sleeves  
2       and finding answers and working with the staff and  
3       others to find resolution and identify issues and  
4       move forward.

5               But when we get to the evidentiary  
6       hearings it is all on record. It is part of our  
7       track record at the Energy Commission. We have a  
8       very transparent process. Everything that we do  
9       is detailed on the website which the Hearing  
10      Officer mentioned earlier. You can go on there  
11      every day. You can see information that has been  
12      docketed, you can see new filings and briefs and  
13      evidence that has been brought to this case.

14             Everything is put up there for public  
15      view. Everything we do is put out in the public  
16      realm. We notice everything and we do our best to  
17      tell everybody about what is happening through our  
18      list service at the Public Adviser, through our  
19      own outreach efforts. It is very important to us.  
20      Because we feel in the end we don't have a good  
21      product if we don't do that.

22             Of course, we will have the applicant.  
23      They will be a party to this. They will have  
24      their own testimony. They will cross-examine us  
25      perhaps. They will have witnesses. Of course

1 local, state and federal agencies as well. Bay  
2 Area Air Quality Management District, regional  
3 water quality boards. We may have other agencies  
4 that may wish -- of course the City of Antioch and  
5 the County. They are also integral to the  
6 process.

7 This talks just a bit about what I went  
8 over. But the Committee conducts all this  
9 information. It is essentially a quasi-hearing.  
10 Again, they are the judge and jury. In the end  
11 they will provide what is essentially a draft  
12 verdict of their findings. And they call it  
13 something kind of fancy and I know it's hard to  
14 forget, I do too, the Presiding Member's Proposed  
15 Decision.

16 Commissioner Boyd is the Presiding  
17 Member. He and Commissioner Douglas together will  
18 have, and the Hearing Officer and their advisers  
19 will come up with their decision. It is  
20 essentially a draft verdict. It is a  
21 recommendation that they will put in front of the  
22 full five member Commission and together the five  
23 of them will make a final determination on whether  
24 or not this power plant is licensed to be built  
25 and operate.

1           Let me go through those. The PMPD, the  
2           draft verdict, will consider a number of factors  
3           that are presented during the hearings, that are  
4           presented from the different parties, including  
5           compliance with laws and ordinances and the  
6           impacts it is going to have on the environment and  
7           the engineering aspects.

8           The recommendations for certification,  
9           if they accept those. If they feel they are  
10          adequate or if they need to be augmented, that is  
11          their prerogative. That will occur probably this  
12          summer. It occurs after, like I said, the  
13          discovery and analysis phase.

14          And for each of these steps it is  
15          important to remember, they will always have a  
16          workshop, they are always open to the public.  
17          People can call in, they can show up for these  
18          hearings. It's a very inclusive process, it is  
19          very transparent.

20          And we always have -- For every work  
21          product that we present, be it a staff assessment  
22          or a PMPD, we usually have a workshop and a  
23          hearing so everyone has an opportunity to state --  
24          They can write us, there's a comment period, or  
25          they can verbally let us know what they think.

1 They can submit comments. So again, it is very  
2 important that we have that input in order for us  
3 to move forward with this.

4 And after and if and when this project  
5 is approved it moves, it is not done. We at the  
6 Energy Commission are not done with it. Within  
7 the siting, transmission and environmental  
8 protection division we have a compliance unit.  
9 And the compliance unit makes sure that all the  
10 conditions of certification, those mitigation  
11 measures, all of the things that we condition this  
12 project on, are indeed fulfilled. That we will  
13 have a compliance project manager.

14 Essentially I am the siting project  
15 manager. Then we have compliance project managers  
16 who will be assigned this case and will  
17 continually be vigilant, will meet with the  
18 applicant, will have a third-party Chief Building  
19 Officer who will also be making sure that all the  
20 engineering specs, everything that we indicated  
21 that needs to happen indeed happens. And if not  
22 then the ramifications will be implemented.

23 These are just some of the aspects that  
24 compliance deals with. There's a number of things  
25 our compliance unit will fulfill. We can talk



1 about this at a later date. Again, this comes  
2 after the siting, it comes after the  
3 consideration.

4 But it is important to keep in mind that  
5 we never wash our hands of these projects. After  
6 they become approved, after they get billed, after  
7 they're operating we are still complying, we are  
8 still monitoring all the way to the end. From  
9 cradle to grave. Until the power plant is  
10 ultimately decommissioned the Energy Commission  
11 will be part of that process.

12 I talked a bit about the state and  
13 federal agencies, local, state and federal  
14 agencies. Their input is integral to our process.  
15 It is very important that we work with them, we  
16 get their feedback. They were present this  
17 morning during our workshop and we would expect to  
18 have additional input. Folks like the City of  
19 Antioch, and Victor spoke earlier. Contra Costa  
20 County, we are dealing with them on some of these  
21 issues. The Air Quality Management District.

22 At the state level Fish and Game,  
23 Caltrans, a number of those. And then at the fed  
24 level, the Corps of Engineers, US Fish and  
25 Wildlife Service, sometimes the FAA. It's a lot

1 of different -- All aspects and we are very  
2 thorough in that.

3 All right, I talked a bit about the  
4 staff's Issues Identification Report, it came out  
5 in October. Typically when we do these, the staff  
6 Issues Identification Report is released around  
7 the same time we do the Informational Hearing and  
8 Site Visit. But because we had data adequacy  
9 remember back in September the Committee asked  
10 that we start to look into discovery and to start  
11 to move along with our process. They asked us to  
12 produce an Issues Identification Report back in  
13 October, which we did.

14 And when we wrote that up, you know, it  
15 serves a couple of purposes. It is to inform  
16 participants about what the major issues  
17 potentially could be, and to focus the parties on  
18 what is potentially problematic with this  
19 application.

20 And then we will go through each of the  
21 19, 20 different topics, different sections from  
22 Air Quality all the way down to Waste Management.  
23 And we will look to see if there is a problem. Do  
24 we see this as a LORS issue. Is this going to be  
25 completely out of whack with what laws,

1 ordinances, regulations and standards currently  
2 exist. Is it going to be sideways with those.

3 Is there going to be a problem that is  
4 not going to be mitigated that we are not going to  
5 be able to somehow find resolution for. And are  
6 there going to be conflicts between parties that  
7 we need to be aware of at this point early in the  
8 process. And so based on that we came together.

9 We identified a couple of potential  
10 issues that were of a significant nature. That  
11 is, transmission system engineering, and I'm going  
12 to tell you why when we go to the next slide, but  
13 transmission system engineering and waste  
14 management. It's spelled out in detail in the  
15 Issues Identification Report. I'll talk to you a  
16 little bit about why those two were selected.

17 And then we had the data requests,  
18 remember, or the questions about other issues.  
19 Now they didn't necessarily rise to a level that  
20 is significant but they are issues for which we  
21 needed to ask some questions. And we have gotten  
22 answers and we continue to have dialogue and  
23 contacts with the applicant and others.

24 And all of this is visible on that  
25 website. The filings on the data requests, the

1 data responses, it is all available for you to  
2 just click open and you can read it for yourself.  
3 Or you can call and ask me and I'll take you  
4 through it. And these are the issues that we had  
5 data requests and data responses for.

6 All right. One of the issues our staff,  
7 our engineering staff identified was transmission  
8 system engineering. You can see there's the --  
9 PG&E has its switchyard right there, it's  
10 immediately south of the project site. It's quite  
11 a bit of generation we are talking about putting  
12 on-line, 930 megawatts. And our staff felt like  
13 we might need to look at potential downstream as  
14 well as transmission impacts. We might need to  
15 look at reconductoring, upgrading, maybe  
16 augmenting the current transmission system as it  
17 exists currently.

18 We are in talks with the applicant about  
19 the best way to address that. It may not  
20 necessarily mean we need to do reconductoring but  
21 it is something our staff feels could potentially  
22 be a significant impact, we need to look at that.  
23 So that was identified.

24 Also waste management. As everyone has  
25 talked about we have got these five above-ground

1 storage tanks. And the little simulation they had  
2 was kind of cool but it is not quite that simple.

3 (Laughter)

4 MR. MONASMITH: We wish it were but it  
5 is not. Those tanks have been there for quite  
6 some time. They have been storing fuel oil number  
7 six. And we don't have an exact idea of exactly  
8 what exists under the tanks. As well as what kind  
9 of, the soil contamination potentially next to and  
10 around the tanks. We need to deal with not only  
11 the demolition, the proper demolition of the tanks  
12 and moving that used equipment either to recycle  
13 it or move it to a landfill or appropriate  
14 licensed facility in an adequate manner but then  
15 the soil has to be remediated.

16 And both of those aspects need to be  
17 worked in conjunction either with the County  
18 Department of Environmental Health or the State's  
19 Department of Toxic Substance Control. That  
20 hasn't been identified yet. So it's not that it  
21 won't be. But staff felt until we found the  
22 identification, until we have a work plan on how  
23 we are going to demolish those tanks, clean the  
24 site so we can be prepared.

25 The Energy Commission through its policy

1 encourages brownfield development which is what  
2 this is, as opposed to going into an open  
3 greenfield and building a power plant. So they  
4 encourage that. But there are certain steps that  
5 need to be taken and safeguards need to be put in  
6 place. So that is why that rose to that level.

7 Some of the other issues we talked about  
8 this morning. The water. Right here is the  
9 Bridgehead Lift Station, right there. And they  
10 are going to build a reclaim facility that will  
11 run a pipeline right there, it's the blue one, all  
12 the way up into here. And we encourage the use of  
13 reclaimed as opposed to some potable, or like the  
14 Contra Costa 6 and 7, river water. Those were  
15 licensed before we were in business, that never  
16 would have happened today. It would never happen.  
17 We encourage the use of recycled water.

18 Potable water is a precious resource, we  
19 understand that. So we encourage the use of this  
20 technology. We applaud Delta Diablo for what they  
21 are doing and the collaboration. But we still  
22 have some questions on the capital costs. What is  
23 this exactly going to mean?

24 We also need to identify a backup  
25 source. Even though Delta Diablo has an almost

1       impeccable 100 percent delivery with Los Medanos  
2       and Delta, who they currently provide reclaimed  
3       water to, we need to make contingencies to make  
4       sure if this were to go out, despite the fact they  
5       are going to have a day's worth of supply in those  
6       two tanks they are going to build, that we have a  
7       contingency in place so this generation can  
8       continue to operate in the event that we had a  
9       shutdown in the reclaimed water. So that needs to  
10      happen.

11               We talked a bit about air quality. We  
12      also talked about some of the biological  
13      resources, some habitat impacts and habitat  
14      conservation plans. It's kind of iffy because we  
15      have go a part of the project, the main thing is  
16      in an unincorporated area of Contra Costa,  
17      Bridgehead is within the City of Antioch. So we  
18      had to look at both of those as potentially a land  
19      use issue. We didn't talk about it this morning  
20      but it is something that we will have to work out.

21               So we are starting to talk about this  
22      but we still have a ways to go and we encourage  
23      you to follow, to ask us questions and to be  
24      involved.

25               They talked about the ex parte rule and

1       that is very important to know. We don't talk to  
2       the judge and jury about this unless we are in a  
3       public setting. It has been noticed, it is on the  
4       record for all to know about. But any of you can  
5       talk to me or to our staff. We are here and we  
6       are accessible to you. We are a party to this  
7       proceeding but we are separate from the Committee  
8       so you can always come to us and ask questions and  
9       we encourage it.

10               This is just the transmission system  
11       engineering. Again, I identified that in our  
12       report. We worry about overloads, downstream  
13       overloads and reconductoring. We talked about  
14       that.

15               Ditto with waste management. The above-  
16       ground storage tanks, potential problems for  
17       contamination and making sure that we  
18       appropriately deal with not only the demolition  
19       but the remediation of the soil.

20               All right, the schedule. In the Issues  
21       Identification Report we put a schedule out, it  
22       was back in October. We kind of know what has  
23       happened kind of up to this point. You know, with  
24       the filing last summer, data adequacy this fall,  
25       some data requests back and forth, the Q and A



1       that went on and has been going on the last couple  
2       of months.

3               As we look today moving forward the next  
4       thing that will come out of us in an official  
5       capacity will be Status Report number 1, which  
6       will come out on January 5. Not only will staff  
7       present, will provide the Committee and others a  
8       status report of where we are but the applicant  
9       will as well. And other parties can also provide  
10      status reports, Intervenor CURE. Sometimes local  
11      agencies, the City if they so choose could file  
12      one. But we have to and so does the applicant, so  
13      says the Committee.

14             We will have three more that will be  
15      coming out about six weeks apart. Sometimes they  
16      will longer. It's just tentative, sometimes  
17      changes, but you can see the dates for Status  
18      Reports 2 and 3.

19             Right now if things keep on track -- And  
20      we never know about that and I'll tell you why in  
21      a little bit. We think we might be able to put  
22      out a Preliminary Staff Assessment, our Draft EIR,  
23      early in March. It has been difficult to get  
24      those within a time frame like that but that is  
25      our goal. We may be able to get there, we may

1 not, but that is our tentative, our tentative  
2 schedule now. And we may clarify that in our  
3 status report on January 5. But for right now we  
4 are kind of sticking to that.

5 After that there will be a workshop here  
6 in the community, maybe two. It is not up on the  
7 schedule but they will occur, guaranteed.

8 And then of course we have got our FSA  
9 up there, which is our Final Staff Assessment, our  
10 signed testimony that we will then turn over to  
11 the Committee.

12 And then they will begin on dates that  
13 are to be determined a series of events including  
14 a Prehearing Conference when all the parties get  
15 together. They kind of set the ground rules for  
16 the Evidentiary Hearing which then follows.  
17 Again, they run these things, they are all public,  
18 on the record. There's usually four weeks between  
19 some of these, sometimes less, sometimes more.  
20 They make those determinations, that's something  
21 staff does not do.

22 Following that there will be perhaps  
23 public hearings on the Presiding Member's Proposed  
24 Decision, the draft verdict. That will then also  
25 have a workshop, we will have public comment on

1       that.

2                   And then of course the thing will go to  
3       a full Commission hearing to our regularly  
4       scheduled Business Meetings, which are every other  
5       Wednesday. And that will be in Sacramento. And  
6       again, there will be opportunity for public  
7       comment. They will have a deliberation and they  
8       will make a final decision. And that essentially  
9       is our process to the end.

10                   Of course that is if everything  
11       runs according to plan. But right now there is  
12       always the opportunity for things to come up that  
13       we may not be anticipating. And if we do  
14       anticipate it it may result in delays. We always  
15       hope and so far we have had good cooperation from  
16       the applicant. They have been providing us their  
17       answers, their data responses in a timely manner  
18       and we anticipate that will continue.

19                   Determinations that will have to be made  
20       by agencies other than us. Integral to our air  
21       quality analysis, which is really a cornerstone of  
22       our assessment, of our staff assessment, is our  
23       air quality. It is very important, something we  
24       take very seriously, we have very good staff that  
25       do this.

1           But part of that is they need to hear  
2           from the local air district, in this case the Bay  
3           Area Air Quality Management District. The will  
4           issue their own document, which is called a  
5           Preliminary Determination of Compliance, PDOC,  
6           followed by a Final Determination of Compliance or  
7           FDOC. We will have to incorporate those into our  
8           PSA and our FSA.

9           So we won't issue our Preliminary Staff  
10          Assessment, our Draft EIR, until we get the PDOC  
11          from the Air Board. Likewise we won't put out an  
12          FSA until we get the Final Determination of  
13          Compliance from the Air Board. So that is why  
14          sometimes determinations from local agencies and  
15          others will impact our schedule.

16          Resolution of outstanding issues. You  
17          know, we need to make sure these things get worked  
18          out. Water, waste management, some of these, I'm  
19          sure they will. But the resolution of those is  
20          dependant upon working together and then the  
21          schedule is impacted accordingly.

22          Other factors that we don't know that  
23          might pop up out of the blue. It happens all the  
24          time.

25          And then the last one, which is probably

1 the biggest on us is we are in the midst of record  
2 levels of AFCs. Elena Miller mentioned earlier  
3 it's 24. I think maybe it might be 25, we might  
4 have gotten another one in today. We have a  
5 record number of Applications for Certification  
6 that our division is dealing with.

7 And some of those are solar projects  
8 that require federal involvement because they are  
9 on BLM land so we have a process that is  
10 complicated by the federal involvement and working  
11 with them in a collaborative manner. So all of  
12 this constrains the schedule so folks, just to  
13 make you aware of that.

14 All right, that's us. The one to  
15 remember is me and the Public Adviser. Don't call  
16 Paul. I mean, if you think you need to call him  
17 call me first and I'll let you know. Again, the  
18 Committee is kind of hands-off really, especially  
19 for what we are doing right now. Likewise for  
20 staff counsel Dick Ratliff. He's a nice guy but  
21 again, if you have questions call me and then  
22 we'll work and we'll find you the right people. I  
23 am very accessible as is the Public Adviser.

24 And the Mirant contacts are up there.  
25 They actually gave you someone else so I don't

1 even know if I should have told you this. They  
2 gave their external affairs person. But Anne  
3 Connell who is with URS, who has been great with  
4 us and gave me this nifty, little pointer, and I  
5 are kind of counterparts and we'll get you what  
6 you need. And of course, Jon Sacks with Mirant.

7 So that's it. Thanks, guys.

8 HEARING OFFICER KRAMER: Thank you. Do  
9 we have any other presentations or questions from  
10 local agencies that haven't spoken already?

11 Let me ask the applicant if you want to  
12 respond specifically to the proposed schedule at  
13 all?

14 MS. COTTLE: I would say that we are  
15 supportive of the schedule and we hope to meet it.  
16 So thank you for that.

17 HEARING OFFICER KRAMER: Okay, thank  
18 you. This is now the time for public comments and  
19 questions. I have several blue cards up here and  
20 a few more I guess. Go ahead and bring that up,  
21 sir. We'll use the microphone over on the side.  
22 Again, please state your name. And if you think  
23 we might possibly misspell it, spell it for us to  
24 avoid that. We will begin with Dennis Evans or  
25 Evers, I am not sure.

1                   MR. EVANS:  It's Evans, E-V-A-N-S.  I'm  
2                   from Local 549, Boilermakers.

3                   I am just curious if it is also included  
4                   with the recombinant water instead of -- I'm not  
5                   sure how you guys are doing your recycling of the  
6                   water.  So it's just my personal question if you  
7                   are going to use recombinant water.

8                   And also, are you going to use local  
9                   crafts in this area or unions?

10                  MR. SACKS:  The first question I will  
11                  answer by saying that the water that we are using  
12                  will meet Title 22 specifications.  It will be run  
13                  through a membrane bio-reactor and then shipped  
14                  over to the facility.

15                  As to the question about the unions.  
16                  You know, Mirant has a long relationship with  
17                  organized labor.  We currently have a relationship  
18                  with the Operating Union.  We have been extremely  
19                  satisfied with the union labor that we have  
20                  received for the construction of facilities and  
21                  for operations and we look forward to continuing  
22                  our relationship with organized labor.

23                  MR. EVANS:  Thank you.

24                  MR. SACKS:  Thank you, sir.

25                  HEARING OFFICER KRAMER:  June Forsyth,

1 followed by Allen Payton.

2 MS. FORSYTH: My card was for Mirant in  
3 Pittsburg, not for this one.

4 HEARING OFFICER KRAMER: Okay, we mis-  
5 marked it. And for any of you who have just come  
6 in, we are still working on the Mirant Antioch,  
7 the Marsh Landing case, so you didn't, you didn't  
8 miss Willow Pass. Mr. Payton or Payson.

9 SPEAKER IN THE AUDIENCE: He's gone  
10 already.

11 HEARING OFFICER KRAMER: Okay, he has  
12 left apparently. Keith Gilliam, followed by  
13 Thomas Lindemuth.

14 MR. GILLIAM: Thanks everyone for  
15 showing up. I am not going to take too much of  
16 everyone's time. Gilliam, G-I-L-L-I-A-M, a local  
17 resident here in Antioch.

18 I am following up on the gentleman's  
19 question about local participation. Maybe not on  
20 the construction end but on the engineering and  
21 design end. I am wondering if -- I wrote this  
22 down and I still can't read it.

23 The CEC is going to put in some type of  
24 participation target percentages for local  
25 business enterprises, small business enterprises,



1       so on and so forth.

2               And a follow-up second to maybe Jon or  
3       Anne, architectural engineering services contract  
4       opportunities. Are there any? Thank you.

5               MR. MONASMITH: I'll talk a bit about  
6       the design. We actually, we have a couple of  
7       sections that we analyzed, staff analyzed  
8       including facilities design, power plant  
9       reliability, efficiency. They are contained  
10      within the AFC. I would encourage you to look at  
11      them. Staff are always pleased to look at input  
12      from local residents on any of the 19 or 20  
13      sections, technical areas that we look at,  
14      including design.

15              I can tell you that design didn't have  
16      any data requests that were made by staff. That's  
17      not to say that some won't be made. And as far as  
18      any specific involvement in the design of projects  
19      by local residents, there is nothing that is  
20      stipulated in regulations or law that I am aware  
21      of on a state basis that mandates that. Not to  
22      say it's not a good thing.

23              But we can -- You can look at those  
24      sections, I can show you where they are. You can  
25      review them and you can work with our staff if

1       there is something there you thought would be  
2       helpful. I can't really talk about the rest, that  
3       would be John.

4               MR. GILLIAM: What about small  
5       businesses?

6               MR. MONASMITH: Likewise I don't believe  
7       there is a, and I could be wrong, that there is a  
8       state mandate on local business involvement in the  
9       design of power plant facilities. And again, we  
10      encourage local businesses to involve themselves  
11      in the process and staff are always open to that.  
12      But I am not aware of any mandate that would  
13      necessarily stipulate that we would have to go in  
14      that direction. Not to say it is not a good  
15      thing.

16              MR. SACKS: The first thing I'll say is  
17      that, you know, the Siemens Flex Plant units that  
18      we have been discussing here tonight are, I'll use  
19      the word very loosely, a pre-packaged design and  
20      it is being designed by an engineering firm for  
21      most of that project. There are aspects that are  
22      outside of the scope that Siemens has laid out  
23      and, you know, at the appropriate time we will be  
24      soliciting bids for that work. That will be a  
25      competitive process and we will be looking to

1       award that work on that basis.

2               Does that answer your question?

3       MR. GILLIAM:  Oh yes, yes.

4       MR. SACKS:  Thank you.

5               HEARING OFFICER KRAMER:  Mr. Lindemuth

6       followed by Ian Mariner.  I'm sorry.  Yes, Ian.

7               MR. LINDEMUTH:  My name is Thomas  
8       Lindemuth, the last name is spelled L-I-N-D-E-M-U-  
9       T-H.  I am a citizen of Oakley and I am here  
10       representing myself.  I am quite impressed by the  
11       project, particularly the efficiency of the  
12       systems that are going to go in.

13              I have one issue, however, that may be  
14       of a concern to my friends where I used to teach  
15       and fellow citizens.  And that is, the storage of  
16       ammonia on-site.  I am sure that the amounts are  
17       likely to be small.

18              However, in county ordinance, I believe,  
19       96-100, there is a provision for examining the  
20       potential risk of a plant due to off-site  
21       consequences from hazardous materials stored on-  
22       site.  Having worked on that ordinance years ago I  
23       can tell the Commission that that ordinance was  
24       not designed as a barrier to plant construction  
25       but rather as a way to help minimize risk to the

1 local public.

2 And so I would recommend that in your  
3 current evaluations that you look at the mechanism  
4 provided there in ordinance 96-100 in terms of the  
5 relative risk that the on-site storage of ammonia  
6 presents and possibly mitigating measures that  
7 might go along with preventing any occurrence of  
8 an off-site -- an off-site occurrence. Because  
9 ammonia that gets away. I can actually see this  
10 site from my house.

11 HEARING OFFICER KRAMER: Well I can tell  
12 you, that's a normal part of staff's analysis in  
13 every case.

14 MR. MONASMITH: Absolutely. And I  
15 failed to mention actually that hazardous  
16 materials management, which is a very important,  
17 technical analysis that we conduct. In fact the  
18 technical expert on that, Dr. Alvin Greenberg, is  
19 actually here in this room, he was here this  
20 morning for our workshop. He's raising his hand  
21 in the back. And he'll actually probably come  
22 find you. He takes this very seriously.

23 We did have some data requests and data  
24 responses. Dr. Greenberg also does public health,  
25 worker safety. So the whole realm of potential

1 issues that could be impacted, especially by the  
2 aqueous ammonia. So you can rest assured that is  
3 something that we will look at. He is very open  
4 too so you guys can talk later but thank you for  
5 that.

6 HEARING OFFICER KRAMER: Mr. Mariner.

7 MR. MARINER: My name is Ian Mariner and  
8 I am a resident of Antioch, California. I am a  
9 little bit late so I apologize. The gate out  
10 front was locked. And it's kind of tough when you  
11 have a commute too but I'm here. Basically, I  
12 grew up in New England and moved out to California  
13 about 25 years ago. So I am used to the town hall  
14 format and love, you know, public discourse so it  
15 is very good that you are here.

16 I am here to represent myself and my  
17 family and basically oppose any further power  
18 plants in the East County area. I feel that one,  
19 we have too many, two, the air pollution is  
20 horrendous out here. And what other community in  
21 California has the number of power plants that we  
22 do?

23 I think we should stop this and I think  
24 we should kind of take a look back. My health  
25 care provider, Kaiser, has told me that the asthma

1 rate in the Delta Diablo district is the highest I  
2 believe in their areas. And I understand that  
3 issue is, of course, complex.

4 But I just wanted to say that there are  
5 some of us out there that don't want to see any  
6 more power plants in this area. We understand  
7 that power is needed. But we also understand that  
8 we have to live here and this is a community,  
9 Pittsburg and Antioch, that has a number of  
10 families with small children and the additional  
11 pollution could impact it severely.

12 I'm sorry I didn't see the presentations  
13 earlier but I did my best to get here. So that's  
14 my feedback.

15 HEARING OFFICER KRAMER: Thank you. I  
16 have run out of blue cards. Does anyone else wish  
17 to make a public comment?

18 Okay, we just have a small bit of  
19 housekeeping to discuss. Parties can talk to me  
20 off-line about any changes that they want to make  
21 to the proof of service list. I already have some  
22 of those from Ms. Cottle.

23 There are no pending petitions to  
24 intervene so we don't need to address those.

25 Under other matters. When the

1 scheduling order comes out you will see in there a  
2 discussion about the option that parties have to  
3 receive only e-mails when documents are served.  
4 Currently our rules require that sending things by  
5 e-mail is optional. But even if you do that you  
6 are also required to send a physical paper copy to  
7 all the other parties.

8 And for those -- Eventually we would  
9 like to see everybody use e-mail. That would be  
10 our ideal world. It saves a lot of paper and  
11 postage and energy. We are not forcing people  
12 into that mode now. But those of you who agree  
13 and are willing to just take an e-mail when  
14 something is sent by e-mail and not require a  
15 paper copy, we would like you to let me know and  
16 we will put the appropriate mark next to your name  
17 on the proof of service list. And then the other  
18 parties will know that they don't have to send you  
19 something in the mail if they have e-mailed to  
20 you.

21 Also many documents that are e-mailed  
22 are created as Adobe Portable Document Files, .pdf  
23 files. And one problem we have had on occasion is  
24 when people create them by printing a copy,  
25 putting it on a scanner and in effect taking a

1 picture of it and making that the .pdf, it is  
2 harder for people to read.

3 They cannot word search it anymore  
4 because the actual text that would be searchable  
5 is lost when you create a document that way. It  
6 is hard to read it on your BlackBerry. It is also  
7 very hard for people with visual disabilities to  
8 read it because their reader software can't figure  
9 out what the words mean.

10 So we are asking people unless it is  
11 just impractical for them or impossible to create  
12 documents in a way that they are word searchable.  
13 And if anybody has any questions about that I am  
14 certainly the nerd on the Committee, call me. And  
15 by the way, Mr. Monasmith had my phone number  
16 wrong in his stuff so use my phone number from my  
17 document. We will work that out so that everybody  
18 can read your filings.

19 And then finally as a heads-up to the  
20 parties. Depending on the degree of contention in  
21 this case when we get to the point of hearings, we  
22 are going to try to make sure that all the  
23 evidence is exchanged and the documents and  
24 summaries of witness testimony prior to the  
25 Prehearing Conference so we avoid what happens in



1       some cases. In the short period of time between  
2       the Prehearing Conference and the Hearings there's  
3       a whole lot of back and forth discussion and  
4       people are still negotiating conditions.

5               We would rather avoid that by having  
6       everything worked out ahead of time so you may see  
7       an order. If there is a lot of contention  
8       especially, and a longer than you might expect  
9       period between the release of the FSA and the  
10      Prehearing Conference so we can achieve that.

11             With that, did either of you wish to  
12      make any comments?

13             PRESIDING MEMBER BOYD: Wait a minute, I  
14      do have a question. A question for the applicant  
15      that is real quick. I don't want to protract this  
16      because I know we have run over.

17             I am curious about the start-up or ramp-  
18      up time of these new fast-start, combined cycle  
19      units versus the simple-cycle of yesteryear or  
20      even your simple cycles.

21             MR. SACKS: Sure. So the combined cycle  
22      units are the same gas turbine or front end as the  
23      simple-cycle units and they have a steam turbine  
24      attached. These units, the combustion turbines,  
25      will get to about 150 megawatts in ten minutes.

1 They will reach full load, about 190 megawatts, in  
2 12 minutes. That compares to, even right now the  
3 best units tend to be more along the lines of 30  
4 minutes for their baseload.

5 The combined cycle unit, the Flex Plant  
6 10 units are where you really see the benefits of  
7 the new technology. And these units are able to  
8 reach their full output, call it 225 megawatts per  
9 unit, within an hour. Currently combined cycle  
10 units, traditional combined cycle units that you  
11 see in the market can take upwards of six hours.  
12 And in a best case scenario really about three  
13 hours. So you have a tremendous savings in the  
14 amount of time that you need to get to baseload.

15 And this really translates into a couple  
16 of key factors. First, it burns a lot less fuel  
17 so it is environmentally responsible, it limits  
18 emissions and it ultimately saves money for the  
19 rate payers of the state of California. And that  
20 is one of the prime benefits.

21 The other reasons or the other benefit  
22 is, and I alluded to this in my comments, was that  
23 it allows you to turn the units off-line and then  
24 very quickly recommit them if they needed to be  
25 recommitted or have them available to run the next

1 morning. So that you don't need to keep them at,  
2 for example, a minimum load overnight so that they  
3 would be ready.

4 PRESIDING MEMBER BOYD: Thank you. I  
5 have no other comments or questions other than to  
6 thank everybody for being here. You've heard the  
7 process and this is just the beginning.

8 HEARING OFFICER KRAMER: Okay, thank  
9 you. We will adjourn and take a five minute break  
10 at least.

11 (Whereupon, at 6:47 p.m., the  
12 Informational Hearing was  
13 adjourned.)

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## CERTIFICATE OF REPORTER

I, RAMONA COTA, an Electronic Reporter,  
do hereby certify that I am a disinterested person  
herein; that I recorded the foregoing California  
Energy Commission Informational Hearing; that it  
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I further certify that I am not of  
counsel or attorney for any of the parties to said  
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IN WITNESS WHEREOF, I have hereunto set  
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